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ANSWER IT

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Elimination of the "Paid-Cost Rule"

Sheila Ames/Paul Martin

FAC 97-16 (FAR Case 1998-400) revised Part 32, Contract Financing, of the Federal Acquisition Regulation (FAR), by eliminating the "Paid-Cost Rule," which required large businesses to pay their subcontractors before including the payment in their billings to the Government. Previously, the FAR permitted only small business concerns to bill for subcontract costs that have been incurred but not paid.

FAR Clauses modified as a result of this revision include the standard Progress Payment Clause, FAR 52.232-16; the Allowable Cost and Payment Clause, FAR 52.216-7; and the Payments under Time-and-Materials and Labor-Hour Contracts Clause, FAR 52.232-7. While these Clauses permit reimbursement of subcontractor costs ahead of the contractor's actual payment of such costs, Contractors must continue to pay subcontractors in accordance with the terms and conditions of subcontracts and invoices and prior to submission of the Contractor's next payment request to the Government.

Effective May 26, 2000, all new contracts with large businesses must use the payment clauses revised by FAC 97-16. Contracts awarded prior to May 26, 2000, could be modified to delete the conditions relating to the "Paid-Cost Rule." Effective April 1, 2000, the ANSWER Contract implemented this change in its 10 Contracts by incorporating the revised FAR Clause 52.232-7 Payments under Time-and-Materials and Labor-Hour Contracts – Alt I (MAR 2000). The immediate benefit to the ANSWER Contractors and the Government was two-fold. The ANSWER Contractors experienced improved cash flow and the Government achieved potential cost savings through the Contractors' avoidance of duplicative accounting and payment systems.

PowerScene Ready For Award

Armando Santos

A sole source IDIQ contract for proprietary PowerScene Software Service and Support with Cambridge Research Associates, (CRA) Inc. of McLean, Virginia has been submitted to Office of Federal Contract Compliance Program for clearance. The estimated value of the contract is \$68 million over a five-year performance period and provides FEDSIM's Marlene Barrett with a contract vehicle to meet her DOD client needs for PowerScene support worldwide.

PowerScene is a portable software architecture which accepts raw digital image data from a variety of sources (e.g. satellites, aerial photography, radar, etc.) and presents that imagery in a manner that greatly enhances mission planning, aircrew training, intelligence analysis and battlespace visualization.

ANSWER SDC Attends NDIA's "Keeping the Fleet Connected: Challenges and Opportunities" Conference

Jill Schillinger

ANSWER SDC personnel recently joined the National Defense Industrial Association (NDIA), which is the premier association representing all facets of the defense and technology industrial base and serving all military services. In support of the local chapter's conference, Ann Gladys, Lyle Hull, Sherrie Householder and Jill Schillinger attended the 2000 SPAWAR and NDIA Conference on September 24th-27th at the Bahia Hotel in San Diego. The event theme was "Keeping the Fleet Connected: Challenges and Opportunities". The three-day conference included keynote addresses and break out *(continued on page 2)*

DSL Contract Slated For Award In November

Armando Santos

The ANSWER SDC will evaluate proposals for the Nationwide DSL Service solicitation during the week of October 23, 2000. At least 10 contractors will be awarded contracts under an MA/IDIQ format. The types of DSL service available in the contract are ADSL, SDSL and IDSL with speeds ranging from 6.0Mbps downstream to 1.5Mbps upstream. Award is anticipated to be made during November 2000.

Program Safeguard BPAs Extended For Three Years

Armando Santos

The 27 Blanket Purchase Agreements (BPA) under Program Safeguard were modified on September 27, 2000 to extend the performance period an additional three years. From October 1, 2000 through September 30, 2003 Federal Agencies worldwide can obtain information assurance solutions in order to meet the

(continued from page 1) sessions on contracting opportunities, future technologies, and the implementation of Horizontal Integration.

The conference began with an address by the current SPAWAR Commander, RADM John A. Gauss, USN. His speech described his vision for ending stovepipes and concentrating on Horizontal Integration. Afternoon sessions were primarily panels led by SPAWAR program managers and their staff. Of particular interest, was the N/MCI project (awarded to EDS after the conference). The majority of concerns re this subject centered on integrating existing contracts and ensuring small business participation.

All of the presenters stressed future business opportunities as the Navy fleet continues to upgrade its communication and security capabilities. The need for seamless networks, engineering and integration services, and information management were a common denominator in all of the program briefings. SPAWAR made many overtures to private industry for support in meeting the challenges of modernization and integration of the Navy's fleet. The conference ended on a high note with a discussion on future projects and potential business opportunities for those associated with the private sector.

First Major European ANSWER Task awarded to Logicon

Thelma Riusaki

The fiscal new year brought the award of an eight-year, \$114 million task order to provide highly sophisticated support of battle simulation centers for the 7th Army Training Command, Directorate of Simulations-Forward, U.S. Army Europe (USAREUR). The project will be conducted at eight locations in Germany and one in Italy beginning December 2000. The overall effort generates simulations by way of digital terrain to provide realistic training support for units from the platoon to the theater echelon. It also supports the Joint Chiefs of Staff, NATO training mission rehearsals, Partnership for Peace initiatives and other European Command exercises, including mission readiness. The task was awarded by Kevin Metcalf, Region 4 Project Manager. Kevin conducted post award meetings in Grafenwoehr, Germany for the Director and Deputy Director of Battlefield Simulations as well as the six primary simulation managers and their support personnel. Thelma Riusaki and Ann Gladys of the ANSWER SDC, along with Jackie Barker of Logicon and other corporate representatives, participated in the post award events for this highly visible project.

ANSWER's Oakland Office Relocates

Paul Martin

The Oakland Office of the ANSWER SDC relocated its operations during the month of September. Both system infrastructure and telecommunications are in place.

The new address is: 1301 Clay Street, Suite 500 North
Oakland, CA 94612

The primary main office phone number is: (510) 637-3885.

November Events

Date: 11/06-09
Location: Chicago, Reg. Office
Event: Solutions Edu – PB/SOW

Date: 11/07
Location: Atlanta
Event: Region 4 RPM

Date: 11/08
Location: NCR
Event: NCR RPM

Date: 11/09
Location: Kansas City
Event: Region 6, RPM

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